



Switzerland

ECONOMY. After enduring nearly seven years of a mild economic recession in the early 1990s, the Swiss economy is now one of Europe's healthiest. Swiss consumers rank among the world's most affluent. Economic growth has been stable for many years, with income gains outpacing inflation. Unemployment remains among the lowest in Europe. Although the Swiss economy has slowed considerably in 2001 and 2002, it should return to its stable growth in 2003. The country was impacted significantly by disruptions in the global financial markets and by insurance industry woes following September 11th. Although not part of the Euro zone, the country is surrounded by member nations and is greatly influenced by activity among and between member states.

EXCHANGE RATE. A recent referendum permitted the use of the Euro in addition to the Swiss Franc in many parts of the country. While the Swiss Franc remains the country's official currency, the widespread use of the Euro will play an increasing role in the country's currency exchange. Notably, however, the Swiss Franc has outperformed the Euro. This makes international travel for the Swiss in the rest of Europe and the U.S. more attractive and a better relative value. As the Euro approaches parity with the U.S. dollar, the Swiss franc should also appreciate, thus further stimulating demand for international travel.

LANGUAGE RESOURCES. Because Switzerland operates as a hub of international activity for both governments (U.N.) and business (banking), most Swiss are familiar and comfortable with English. In addition, because nearly four languages are spoken regularly in the country, consumers are flexible and adapt easily to different languages.

TECHNOLOGY APTITUDE. Switzerland is among Europe's leaders for adoption of the Internet, trailing just the Scandinavian markets. Switzerland also boasts a very large percentage of its population with a home computer. Swiss consumers quickly adopt new technologies and are proficient in their use.

SEASONS & SEGMENTS. Most Swiss are independent travelers, preferring to set their own itineraries, although they may reference a travel agent for information and airfare packages. Most travel takes place during the summer months to destinations along the East coast and California. Shopping remains the top attraction for most Swiss travelers. However, because Switzerland is a mature market, most travelers are repeat visitors. Destinations off the

beaten path that offer access to American culture, including music, food, and adventure may become more popular in coming years. Swiss travelers generally expect high service levels and will usually pay a premium to ensure they receive it.

HISTORIC VISITATION. Visitation to the U.S. from Switzerland increased steadily through the early 1990s and has since leveled off at approximately 400,000 per year. However, like other markets, the lure of North Africa and Southeast Asia has captured some of the long-haul market. The strength of the Swiss Franc versus the Euro compared to the declines versus the U.S. dollar has hurt demand in the last few years. Because of the relative affluence of Swiss travelers, exchange rate volatility is less of a factor in this market than elsewhere in Europe.

SOCIAL & POLITICAL FACTORS. Demand for travel to the U.S. was affected by the terrorist attacks on September 11th, although general perceptions about the U.S. are of a safe and convenient destination. Consequently, demand is expected to return quickly. Because of the small size of the Swiss market, large growth in the number of U.S. arrivals should not be expected. Rather, market share gains can be achieved by attracting a larger share of repeat visitors.

OLYMPIC INTEREST. Switzerland has historically performed well at the Winter Olympics, having captured over 100 medals since 1924. In Salt Lake, Swiss athletes medalled 11 times, capturing the attention of the public. Of particular interest were the sledding sports and curling. Besides these events, a world media darling emerged in the performance of Harry Potter look-alike Simon Ammann, who unexpectedly captured gold medals in both individual men's ski jumping events. On average over 6 million Swiss television viewers watched over 10 hours of Olympic coverage.

DISTRIBUTION INFRASTRUCTURE. Air transportation is readily available from Switzerland to the U.S. via several U.S. carriers and Swiss Air. In addition, many European airlines offer U.S. connections through hubs in London, Amsterdam, Frankfurt and Paris. Delta's affiliation with Swiss Air has prompted periodic investigation of Salt Lake City as a possible route expansion. However, with airline cutbacks following September 11th and the restructuring of a bankrupt Swiss Air, expansion into long-haul routes seems unlikely.



Spain

ECONOMY. The integration of the Spanish economy with the other economies of Europe has stimulated rapid growth in the country. GDP has outpaced most of the rest of the Euro area as Spain has been playing “catch up” with its more developed neighbors. The quick pace of economic growth has fueled higher inflation than elsewhere in Europe, which has placed pressure on incomes. Although improving, Spain continues to report one of the highest unemployment rates in Europe. As further reforms are integrated into the economy, Spain should continue to converge towards other well-developed European economies. Such convergence should engender future growth in output and incomes while simultaneously reducing unemployment and stabilizing inflation. Of some concern is the effect enlargement of the European Union into Eastern Europe would have on the subsidies currently directed towards Spain. With enlargement, much of the money currently targeted at Spain would be redirected towards the poorer and less developed economies of Eastern Europe.

EXCHANGE RATE. Transition to the Euro has been relatively uneventful. However, because of the interconnected relationship between the large European economies and their inability to sustain growth in the wake of a US slowdown, the Euro has struggled against the U.S. dollar. Nonetheless, the Euro has recently risen to near parity with the U.S. dollar. If the equitable exchange rate is sustained, demand for U.S. travel should increase as the relative cost of travel to the U.S. declines.

LANGUAGE RESOURCES. Many of the long haul travelers from Spain are fluent in English as a result of business activities. However, for those not comfortable with English, information and promotional materials to most destinations are available in Spanish.

TECHNOLOGY APTITUDE. The adaptation of Spanish consumers to the Internet, mobile phones and other technology devices lags other parts of Europe. Cost has been the primary barrier as relative incomes remain below the European average while access costs are still high.

SEASONS & SEGMENTS. Most Spanish travelers to the U.S. are from the upper classes and are repeat visitors to the U.S. Summer is the most common time to visit the U.S. as Spaniards commonly take advantage of a two-week summer break. The coasts have been the most popular destinations although

recent evidence suggests Nevada, Arizona and Colorado are growing in popularity. Spanish travelers are more spontaneous than other European travelers. Most begin planning or making arrangements for overseas travel less than a month in advance.

HISTORIC VISITATION. Spanish arrivals to the U.S. have grown steadily throughout the past decade. However, total long-haul visitors have grown even faster, with most of the increase going to destinations in the Caribbean and Latin America, North Africa, and Southeast Asia. The United States remains the preferred long haul destination, although competition from other destinations is intensifying. Approximately 300,000 visitors arrive to the U.S. from Spain each year.

SOCIAL & POLITICAL FACTORS. Over the past several years, Basque separatists have perpetrated several incidents involving terrorist activity. As a result, Spanish consumers, much like British consumers, recovered relatively quickly from the events of September 11th, at least from a psychological perspective. The ability of the political and business infrastructure to continue to integrate economic reforms and thereby increase incomes and discretionary opportunities will likely be key to growing the Spanish market.

OLYMPIC INTEREST. During the 2002 Winter Olympic Games, an athlete from Spain received the country's first ever Winter Olympic medal. While significant, the fact that the athlete was a German expatriate dampened the enthusiasm. Nevertheless, Spain has a long history of involvement in the Olympic movement and much attention was directed at the Olympics during the tenure of Juan Antonio Samaranch as head of the IOC from 1980 until 2001. Olympic television coverage in Spain was less than elsewhere in Europe, with only 18 million viewers watching on average a single hour of coverage.

DISTRIBUTION INFRASTRUCTURE. Four major U.S. carriers and three Spanish carriers operate direct nonstop flights to seven U.S. cities from either Madrid or Barcelona. However, none of the direct flights are west of the Mississippi. Approximately 25 of Spain's 200 tour operators prominently highlight the U.S. as a major destination in their promotional catalogs and brochures. The top nine travel agents and retailers account for nearly 50% of the distribution outlets.



Belgium

ECONOMY. The Belgian economy has performed well throughout the past decade. Annual GDP growth rates have outperformed most of the other Euro zone nations, although it has lagged the performance of the Netherlands. Strong wage growth has spurred inflation recently, although wage gains have outpaced price increases allowing consumers to enjoy more disposable income. Unemployment has trended down during the past five years and after a small hiccup during the current economic slowdown, that trend should continue. Strong business linkages with the U.S. should bolster economic activity in the coming year. Belgian consumers are among Europe's wealthiest travelers.

EXCHANGE RATE. After a strong performance in the early 1990s, the Belgian franc lost much of its gains through the decline in the Euro. Despite the volatility of the Euro, Belgian consumers have demonstrated more resilience to currency fluctuations than elsewhere in Europe. Nonetheless, exchange rate fluctuations do have an impact on consumer decisions, especially in evaluating competing destinations. Recently, the Euro has risen to near parity with the U.S. dollar. If the equitable exchange rate is sustained, demand for U.S. travel should increase as the relative cost of travel to the U.S. declines.

LANGUAGE RESOURCES. Belgium boasts a well-traveled population that is accustomed to international trips. Because of widespread business linkages with the U.S., English is widely spoken, especially among the middle and upper classes. Language should not be considered a barrier to growth in this market.

TECHNOLOGY APTITUDE. Belgium generally follows the consumption patterns of nearby Germany with regard to technology. Despite high incomes, Belgian consumers have not surged ahead in Internet use, home computers or mobile phones. Nonetheless, with an advanced infrastructure and relative wealth, Belgium is considered a quick growth market for technological adaptation.

SEASONS & SEGMENTS. Like other European markets, Belgian travelers enjoy four to five weeks of vacation and typically apportion the time between an extended summer break and a shorter winter holiday. Traditionally, trips to the U.S. have come during the summer months to sun and beach locations. Increasingly, national parks, amusement parks, and

cultural and historic destinations are attracting more travelers. There is also a growth potential for U.S. winter destinations as awareness increases, access improves and costs remain competitive. Most Belgian travelers to the U.S. plan their trip with information from a travel agent and customize their trip based on personal preferences. Only one in five trips is a packaged deal. Most prefer to book flight arrangements and then drive to various destinations within the U.S.

HISTORIC VISITATION. The U.S. is the third most popular international vacation choice among Belgian travelers and the most popular long haul destination. The number of arrivals to the U.S. has increased each year over the past decade with the exception of 1998. Total arrivals for 2000 topped 250,000. Despite the strong growth, increasing competition from North Africa and Southeast Asia has captured some of the U.S. market share.

SOCIAL & POLITICAL FACTORS. Although demand declined in the wake of the terrorist attacks of September 11th, Belgian consumers generally regard the U.S. as a safe and convenient destination. Historically, Belgian travelers have proven resilient to economic fluctuations and demand for U.S. travel is anticipated to return quickly. Generally, Belgium is associated with the Netherlands and Luxembourg and referred to as the Benelux countries.

OLYMPIC INTEREST. Although winter sports remain popular in Belgium, no Belgian athlete has ever won an Olympic medal. Television coverage of the Olympics in Belgium was limited, reaching only 6 million people for less than 10 minutes each.

DISTRIBUTION INFRASTRUCTURE. Brussels serves as a European hub for many airlines and six U.S. based and European carriers provide service to the U.S. Travel agents represent an important resource for many traveling abroad although fewer book their trips with agents themselves.



Austria

ECONOMY. The Austrian economy is closely linked with the German economy. Growth was moderate through much of the 1990s although it has slowed recently. Private consumption gains have outpaced inflation for much of the past five years, resulting in increased discretionary income. However, the current economic slowdown combines stagnant wages with still present inflation. Coupled with a weak Euro, purchasing power for most Austrian consumers has declined. On a brighter note, unemployment remains low and continues to decline.

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LANGUAGE RESOURCES. Language barriers in the Austrian market are similar to the German market, although Austria does not have as experienced a group of international travelers. As a result, the familiarity and comfort level with English is not as strong and Austria is more reliant on travel agents and packaged deals.

TECHNOLOGY APTITUDE. Austria is nearly on par with the U.K. in terms of its adoption of technology. Internet use, the adoption of mobile phones and the placement of computers in many households suggests increasing integration. Access costs remain higher than in other European markets, which may hinder future growth among Austrian consumers.

SEASONS & SEGMENTS. Like many other European markets, the top destinations for Austrian travelers to the U.S are along the east and west coast. The most popular U.S. destinations are New York, Florida (Orlando, Miami), California (San Francisco, Los Angeles, San Diego), National Parks, Nevada and Hawaii. Travel industry representatives have identified potential for adventure trips to Alaska, Washington, Oregon, Colorado, Texas and Louisiana. However, New York, Florida, California and Las Vegas will remain strong attractions for the Austrian traveler. Repeat travelers typically choose destinations like New England, the Carolinas, Tennessee, Georgia and

the Great Lakes. Summer travel is the most popular during extended trips of two weeks or more.

HISTORIC VISITATION. Austria is one of the smaller European markets for the U.S. The U.S. is the top long haul destination for Austrian travelers. However, visitation peaked in 1996 and since then, other destinations in North Africa and Southeast Asia have consistently gained market share versus the U.S. Current visitation levels to the U.S. are approximately 175,000 per year.

SOCIAL & POLITICAL FACTORS. Unknown

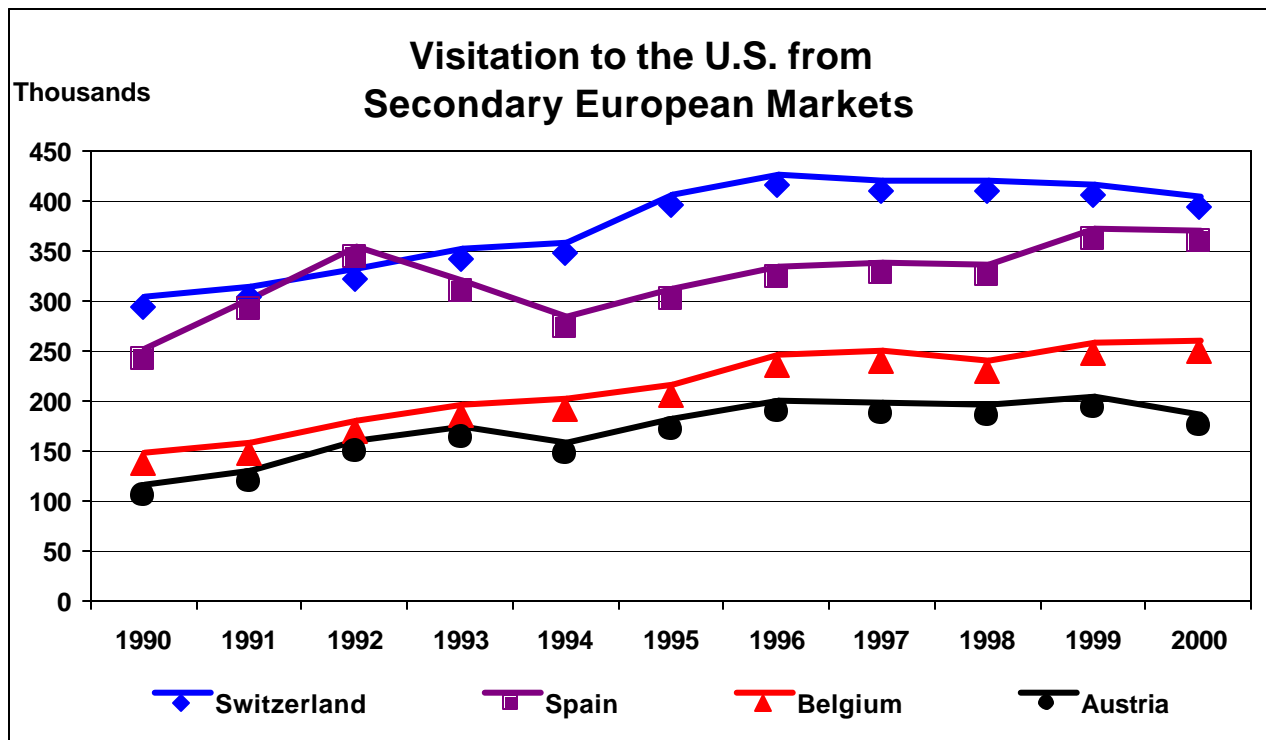
OLYMPIC INTEREST. Austria is a Winter Olympic powerhouse, capturing 161 medals since 1924 including 16 in the 2002 Games in Salt Lake City. Skiing is the national sport and athletes who perform well enjoy public adoration. Television estimates indicate over 6 million Austrians watched an average of more than 10 hours of Olympic coverage. Despite the large audience, attracting a segment of the winter sports segment is unlikely given the well-developed and popular local resorts. Future gains are more likely tied to associating Utah with adventure opportunities during the summer months.

DISTRIBUTION INFRASTRUCTURE. Intense competition between European and U.S. carriers consistently offers attractive prices for trans-Atlantic travel. Although demand has declined in the wake of September 11th, competition among carriers remains and in some ways has intensified. With just over 8 million people, Austria is one of Europe's smallest markets.

HISTORY OF U.S. ARRIVALS SECONDARY EUROPEAN MARKETS

Year	Switzerland	Spain	Belgium	Austria
1990	294	243	138	107
1991	305	292	149	121
1992	322	344	171	151
1993	342	310	186	164
1994	349	275	192	148
1995	397	302	206	173
1996	417	325	237	190
1997	410	328	241	188
1998	411	326	230	186
1999	406	363	249	194
2000	395	361	250	176

SOURCE: TI/ITA U.S. Dept. of Commerce



SOURCE: OTTI, U.S. Department of Commerce